

LIVESTOCK PRODUCTION COSTS

HOG PRODUCTION CASH COSTS AND RETURNS HEARTLAND REGION 1/, 1998

Item	All Hogs	Farrow to Finish	Farrow to Feeder Pig <u>2/</u>	Feeder Pig to Finish
Dollars per Cwt Gain <u>3/</u>				
Gross Value of Production:				
Market Hogs	33.79	32.87	1.52	40.80
Feeder Pigs	5.78	0.44	64.04	0.14
Cull Stock	0.97	1.61	2.39	0.01
Breeding Stock	0.36	0.14	0.22	0.02
Inventory Change	-0.13	-1.78	4.52	1.05
Other Income <u>4/</u>	1.55	1.49	1.29	1.67
Total, Gross Value of Production	42.32	34.77	73.98	43.69
Operating Costs:				
Feed--				
Grain	7.85	9.85	2.45	5.99
Protein Sources	6.74	9.12	1.27	4.03
Complete Mixes	8.33	4.73	26.43	10.58
Other Feed Items <u>5/</u>	0.25	0.39	0.25	0.10
Total, Feed Costs	23.17	24.09	30.40	20.70
Other--				
Feeder Pigs	7.16	0.04	0.35	16.79
Veterinary and Medicine	1.15	1.54	2.39	0.50
Bedding and Litter	0.04	0.05	0.06	0.02
Marketing	0.61	0.35	3.54	0.52
Custom Services	0.28	0.26	0.26	0.32
Fuel, Lube, and Electricity	1.14	1.19	2.84	0.73
Repairs	0.89	1.19	1.08	0.43
Other Operating Costs <u>6/</u>	0.03	0.03	0.04	0.03
Interest on Operating Capital	0.83	0.69	0.98	0.96
Total, Operating Costs	35.30	29.43	41.94	41.00
Allocated Overhead:				
Hired Labor	2.11	2.29	10.93	0.43
Opportunity Cost of Unpaid Labor	6.37	8.15	7.94	3.67
Capital Recovery of Machinery and Equipment	10.74	11.61	24.96	6.87
Opportunity cost of Land (rental rate)	0.07	0.08	0.09	0.04
Taxes and Insurance	0.49	0.50	0.91	0.40
General Farm Overhead	1.00	1.06	1.48	0.80
Total, Allocated Overhead	20.78	23.69	46.31	12.21
Total Costs Listed	56.08	53.12	88.25	53.21
Value of Production Less Total Costs Listed	-13.76	-18.35	-14.27	-9.52
Value of Production Less Operating Costs	7.02	5.34	32.04	2.69
Supporting Information:				
Production Arrangement (percent of farms)				
Independent	73	99	23	49
Under Contract	27	1	77	51
Size of Operation (head sold/removed)				
Market Hogs	1,373	1,245	52	1,959
Feeder Pigs	726	43	7,220	13

1/ Heartland Region includes: Illinois, Indiana, Iowa, Western Kentucky, Southern and Western Minnesota, North and Central Missouri, Northeastern Nebraska, Western Ohio, and Southeastern North Dakota.

2/ Data published is for the United States, data for Heartland Region not available.

3/ Cwt. gain = (cwt. sold - cwt. purchased) + cwt. inventory change.

4/ Value of manure production.

5/ Milk replacer, milk, milk by-products, antibiotics, and other medicated additives.

6/ Costs for odor control and fees, permits, licenses, and other regulatory costs.

Source: Economic Research Service